

Exhibit F

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS
MDL NO. 1456
CIVIL ACTION NO. 01-CV-12257-PBS
Judge Patti B. Saris
Magistrate Judge Marianne B. Bowler
IN RE: PHARMACEUTICAL INDUSTRY
AVERAGE WHOLESALE PRICE LITIGATION

THIS DOCUMENT RELATES TO:

U.S. Ex rel. Ven-A-Care of the
Florida Keys, Inc., v. Abbott
Laboratories, Inc., et al.,
No. 06-CV-11337-PBS

VOLUME II OF II
VIDEOTAPE 30(B)(6) DEPOSITION OF PALMETTO
(ROBIN KREUSH STONE)

Friday, February 29, 2008

9:00 AM to 4:00 PM

Columbia, South Carolina

Reported by: Jane G. LaPorte

Merit and Professional Certifications

<p style="text-align: right;">280</p> <p>1 exception; is that correct?</p> <p>2 A. Yes.</p> <p>3 Q. Now, when you say retroactive to the 4 first day of the year, how does that affect claims 5 payments?</p> <p>6 A. When the fees are put into the pricing 7 system, you only have one pricing bucket for the 8 current fee screen year.</p> <p>9 So, when you enter the fee, anything that 10 is processed on or after the date of that fee being 11 entered, based on the dates of service for that 12 year, would price off of that new fee.</p> <p>13 Q. So, theoretically, just to get an 14 explanation on this -- if a claim was -- if a 15 service was provided before the price change went 16 into effect, but the claim was paid after the price 17 change went into effect, then it would be paid at 18 the new price, not the price that was in effect when 19 the service was provided?</p> <p>20 A. I'm not really sure at what point the 21 system plugged the fee.</p> <p>22 I'm not sure if it plugs it when it first</p>	<p style="text-align: right;">282</p> <p>1 Q. And it's signed by you, again?</p> <p>2 A. Yes.</p> <p>3 Q. Do you recall preparing this letter?</p> <p>4 A. Yes.</p> <p>5 Q. Now, at the time this letter was 6 prepared, the reimbursement formula had changed from 7 the previous document I showed you to -- it was now 8 95 percent of the median AWP; is that correct?</p> <p>9 A. I believe so.</p> <p>10 Q. Now, in this letter, as you said, you are 11 reporting your pricing information directly to HCFA; 12 is that correct?</p> <p>13 A. Yes.</p> <p>14 Q. And this is done pursuant to the Uniform 15 Drug Pricing Project; is that right?</p> <p>16 A. Yes.</p> <p>17 Q. What was the Uniform Drug Pricing 18 Project?</p> <p>19 A. If I recall, I think that was where they 20 were trying to establish consistent practices among 21 all contractors in pricing drugs.</p> <p>22 Q. Was it your understanding at the time,</p>
<p style="text-align: right;">281</p> <p>1 enters the system, or when it reaches final.</p> <p>2 Q. So you are not sure --</p> <p>3 Just to clarify that answer, you're not 4 sure if a fee is assigned to a given claim when it 5 enters the system, when it's initially submitted, or 6 when it's actually paid; is that what your statement 7 is?</p> <p>8 A. Right.</p> <p>9 MR. HECK: Let's move on to a new 10 document.</p> <p>11 (EXHIBIT ROXANE 042 MARKED.)</p> <p>12 Q. If you would please take a moment to 13 review that.</p> <p>14 A. Okay.</p> <p>15 Q. Do you recognize this document?</p> <p>16 A. Yes, I do.</p> <p>17 Q. And what is it?</p> <p>18 A. It is a letter in response to a CMS 19 request for information.</p> <p>20 Q. This letter is dated December 1, 1999, 21 correct?</p> <p>22 A. Yes.</p>	<p style="text-align: right;">283</p> <p>1 that the different carriers were pricing 2 inconsistently?</p> <p>3 A. I think --</p> <p>4 MR. WALKER: Object to the form.</p> <p>5 Q. You can answer.</p> <p>6 A. I think, you know, the decisions used in 7 the sources between the contractors may have 8 differed.</p> <p>9 Q. Do you know why it differed?</p> <p>10 A. No.</p> <p>11 Q. Do you recall other occasions, from 1996 12 to 2003, where you provided information like this to 13 HCFA for CMS?</p> <p>14 A. I don't recall specifically, no.</p> <p>15 Q. Do you know if there were other 16 instances, other than this, in which you gave them 17 information?</p> <p>18 A. I don't recall if there was or not.</p> <p>19 Q. Now, I'm going to direct your attention 20 to the first page under the bolded list number one, 21 where they ask you how you determine AWP.</p> <p>22 It indicates here that: We are currently</p>

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285	<p>1 were different?</p> <p>2 A. Occasionally --</p> <p>3 Q. Okay.</p> <p>4 A. -- you would see that.</p> <p>5 Q. In those instances, which publication 6 would you use?</p> <p>7 A. Well, depending on the timing of the 8 updates, the quarterly CD.</p> <p>9 And I can't recall, you know, exactly 10 when the timing was that we stopped using monthly. 11 If we had the quarterly, and then 12 monthly -- subsequent monthly updates came out -- we 13 would check that monthly for revised AWP.</p> <p>14 Q. So, would you use the most recent of the 15 sources?</p> <p>16 A. Yeah.</p> <p>17 Q. Now, you indicated that you stopped using 18 monthly at one point; is that right?</p> <p>19 A. I think so. The drug updates over time, 20 I know are kind of confusing.</p> <p>21 Because at one time we did monthly 22 updates, but I think that was prior to this relevant</p>	287